

2023 -- S 0456 SUBSTITUTE A

LC002481/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO EDUCATION -- THE EDUCATION EQUITY AND PROPERTY TAX
RELIEF ACT

Introduced By: Senators Pearson, Ruggerio, DiPalma, Cano, and Gallo

Date Introduced: March 03, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 16-7.2-3, 16-7.2-4 and 16-7.2-6 of the General Laws in Chapter 16-
2 7.2 entitled "The Education Equity and Property Tax Relief Act" are hereby amended to read as
3 follows:

4 **16-7.2-3. ~~Permanent foundation education aid established~~ Permanent foundation**
5 **education aid established - Effective fiscal year 2023-2024.**

6 (a) On and after July 1, 2023, Beginning beginning in the ~~2012~~ 2024 fiscal year, the
7 following foundation education-aid formula shall take effect. The foundation education aid for each
8 district shall be the sum of the core instruction amount in subdivision (a)(1) and the amount to
9 support high-need students in subdivision (a)(2), which shall be multiplied by the district state-
10 share ratio calculated pursuant to § 16-7.2-4 to determine the foundation aid.

11 (1) The core-instruction amount shall be an amount equal to a statewide, per-pupil core-
12 instruction amount as established by the department of elementary and secondary education,
13 derived from the average of northeast regional expenditure data for the states of Rhode Island,
14 Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics
15 (NCES) that will adequately fund the student instructional needs as described in the basic education
16 program and multiplied by the district average daily membership as defined in § 16-7-22.
17 Expenditure data in the following categories: instruction and support services for students,
18 instruction, general administration, school administration, and other support services from the

1 National Public Education Financial Survey, as published by NCES, and enrollment data from the
2 Common Core of Data, also published by NCES, will be used when determining the core-
3 instruction amount. The core-instruction amount will be updated annually. For the purpose of
4 calculating this formula, school districts' resident average daily membership shall exclude charter
5 school and state-operated school students.

6 (2) The amount to support high-need students beyond the core-instruction amount shall be
7 determined by multiplying a student success factor of forty percent (40%) by the core instruction
8 per-pupil amount described in subdivision (a)(1) and applying that amount for each resident child
9 whose family income is at or below one hundred eighty-five percent (185%) of federal poverty
10 guidelines, hereinafter referred to as "poverty status." ~~"poverty status." By October 1, 2022, as part~~
11 ~~of its budget submission pursuant to § 35-3-4 relative to state fiscal year 2024 and thereafter, the~~
12 ~~department of elementary and secondary education shall develop and utilize a poverty measure that~~
13 ~~in the department's assessment most accurately serves as a proxy for the poverty status referenced~~
14 ~~in this subsection and does not rely on the administration of school nutrition programs. The~~
15 ~~department shall utilize this measure in calculations pursuant to this subsection related to the~~
16 ~~application of the student success factor, in calculations pursuant to § 16-7.2-4 related to the~~
17 ~~calculation of the state share ratio, and in the formulation of estimates pursuant to subsection (b)~~
18 ~~below. The department may also include any recommendations which seek to mitigate any~~
19 ~~disruptions associated with the implementation of this new poverty measure or improve the~~
20 ~~accuracy of its calculation~~ and by the number of English language students (EL), as identified using
21 independent standards and assessments adopted by the commissioner, that do not have a family
22 income at or below one hundred eighty-five percent (185%) of federal poverty guidelines. By
23 October 1, 2023, as part of its budget submission pursuant to § 35-3-4 relative to state fiscal year
24 2025, and thereafter, the department of elementary and secondary education shall develop and
25 utilize a poverty measure that identifies students whose family income is at or below one hundred
26 eighty-five percent (185%) of federal poverty guidelines through participation in state-administered
27 programs, including, but not limited to, the supplemental nutrition assistance program (SNAP),
28 RiteCare, or temporary assistance for needy families, and students that districts have confirmed
29 have met the low-income criteria through a supplemental process which includes the collection of
30 required supporting documentation. The department shall utilize this measure in calculations
31 pursuant to this subsection related to the application of the student success factor, in calculations
32 pursuant to § 16-7.2-4 related to the calculation of the state share ratio, and in formulation of
33 estimates pursuant to subsection (b) of this section. The department may also include any
34 recommendations which seek to mitigate any disruptions associated with implementation of this

1 new poverty measure or improve the accuracy of its calculation.

2 (3) The department of elementary and secondary education shall collect EL performance
3 reports from districts.

4 (4) The amount to support homeless students beyond the core-instruction amount shall be
5 determined by multiplying a factor of twenty-five percent (25%) by the core instruction per-pupil
6 amount described in subsection (a)(1) of this section and applying that amount for each resident
7 child whose family is experiencing homelessness.

8 (b) The department of elementary and secondary education shall provide an estimate of the
9 foundation education aid cost as part of its budget submission pursuant to § 35-3-4. The estimate
10 shall include the most recent data available as well as an adjustment for average daily membership
11 growth or decline based on the prior year experience.

12 (c) In addition, the department shall report updated figures based on the average daily
13 membership as of October 1 by December 1.

14 (d) Local education agencies may set aside a portion of funds received under subsection
15 (a) to expand learning opportunities such as after school and summer programs, full-day
16 kindergarten and/or multiple pathway programs, provided that the basic education program and all
17 other approved programs required in law are funded.

18 (e) The department of elementary and secondary education shall promulgate such
19 regulations as are necessary to implement fully the purposes of this chapter.

20 **16-7.2-4. ~~Determination of state's share~~ Determination of state's share - Effective**
21 **fiscal year 2023-2024.**

22 (a) For each district, the state's share of the foundation education aid calculated pursuant
23 to § 16-7.2-3(a) shall use a calculation that considers a district's revenue-generating capacity and
24 concentration of high-need students. The calculation is the square root of the sum of the state-share
25 ratio for the community calculation, pursuant to § 16-7-20, squared plus the district's percentage
26 of students in grades PK-6 in poverty status squared, divided by two.

27 (1) If the calculation in subsection (a) of this section results in a state share ratio that is less
28 than the state share ratio for the community, and a school district's percentage of PK-6 students in
29 poverty is greater than fifty percent (50%), then the state's share of the foundation education aid
30 shall be made equivalent to the state share ratio for the community.

31 (2) For FY 2024, the data used to determine the district's percentage of PK-6 students in
32 poverty shall be the greater of June 2020, 2021, or 2022.

33 (b) For purposes of determining the state's share, school district student data used in this
34 calculation shall include charter school and state school students. These ratios are used in the

1 permanent foundation education aid formula calculation described in § 16-7.2-5.

2 (c) The department shall calculate the local share of the foundation aid pursuant to § 16-
3 7.2-3(a) and each community shall develop a plan to fund its school district at or above the level
4 calculated; provided that, no community shall reduce its support until the school committee is
5 funded at the full amount of the local share.

6 **16-7.2-6. ~~Categorical programs, state funded expenses~~ Categorical programs, state**
7 **funded expenses - Effective fiscal year 2023-2024.**

8 In addition to the foundation education aid provided pursuant to § 16-7.2-3, the permanent
9 foundation education-aid program shall provide direct state funding for:

10 (a) Excess costs associated with special education students. Excess costs are defined when
11 an individual special education student’s cost shall be deemed to be “extraordinary.” Extraordinary
12 costs are those educational costs that exceed the state-approved threshold based on an amount
13 above five times the core foundation amount (total of core-instruction amount plus student success
14 amount). The department of elementary and secondary education shall ~~prorate the funds available~~
15 ~~for distribution among those eligible school districts if the total approved costs for which school~~
16 ~~districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year;~~
17 ~~and the department of elementary and secondary education shall also~~ collect data on those
18 educational costs that exceed the state-approved threshold based on an amount above two (2), three
19 (3), and four (4) times the core-foundation amount;

20 (b) Career and technical education costs to help meet initial investment requirements
21 needed to transform existing, or create new, comprehensive, career and technical education
22 programs and career pathways in critical and emerging industries and to help offset the higher-
23 than-average costs associated with facilities, equipment maintenance and repair, and supplies
24 necessary for maintaining the quality of highly specialized programs that are a priority for the state.
25 The department shall develop criteria for the purpose of allocating any and all career and technical
26 education funds as may be determined by the general assembly on an annual basis. The department
27 of elementary and secondary education shall prorate the funds available for distribution among
28 those eligible school districts if the total approved costs for which school districts are seeking
29 reimbursement exceed the amount of funding available in any fiscal year;

30 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten programs.
31 The department shall recommend criteria for the purpose of allocating any and all early childhood
32 program funds as may be determined by the general assembly;

33 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to ensure
34 that appropriate funding is available to support their students. Additional support for Central Falls

1 is needed due to concerns regarding the city's capacity to meet the local share of education costs.
2 This fund requires that education aid calculated pursuant to § 16-7.2-3 and funding for costs outside
3 the permanent foundation education-aid formula, including, but not limited to, transportation,
4 facility maintenance, and retiree health benefits shall be shared between the state and the city of
5 Central Falls. The fund shall be annually reviewed to determine the amount of the state and city
6 appropriation. The state's share of this fund may be supported through a reallocation of current
7 state appropriations to the Central Falls school district. At the end of the transition period defined
8 in § 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24. Additional
9 support for the Davies and the Met Center is needed due to the costs associated with running a
10 stand-alone high school offering both academic and career and technical coursework. The
11 department shall recommend criteria for the purpose of allocating any and all stabilization funds as
12 may be determined by the general assembly;

13 (e) Excess costs associated with transporting students to out-of-district non-public schools.
14 This fund will provide state funding for the costs associated with transporting students to out-of-
15 district non-public schools, pursuant to chapter 21.1 of this title. The state will assume the costs of
16 non-public out-of-district transportation for those districts participating in the statewide system.
17 The department of elementary and secondary education shall prorate the funds available for
18 distribution among those eligible school districts if the total approved costs for which school
19 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

20 (f) Excess costs associated with transporting students within regional school districts. This
21 fund will provide direct state funding for the excess costs associated with transporting students
22 within regional school districts, established pursuant to chapter 3 of this title. This fund requires
23 that the state and regional school district share equally the student transportation costs net any
24 federal sources of revenue for these expenditures. The department of elementary and secondary
25 education shall prorate the funds available for distribution among those eligible school districts if
26 the total approved costs for which school districts are seeking reimbursement exceed the amount
27 of funding available in any fiscal year;

28 (g) Public school districts that are regionalized shall be eligible for a regionalization bonus
29 as set forth below:

30 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school
31 district established under the provisions of chapter 3 of this title, including the Chariho Regional
32 School district;

33 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus
34 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the

1 regionalization bonus shall commence in the first fiscal year following the establishment of a
2 regionalized school district as set forth in chapter 3 of this title, including the Chariho Regional
3 School District;

4 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the
5 state's share of the foundation education aid for the regionalized district as calculated pursuant to
6 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

7 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the
8 state's share of the foundation education aid for the regionalized district as calculated pursuant to
9 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

10 (5) The regionalization bonus shall cease in the third fiscal year;

11 (6) The regionalization bonus for the Chariho regional school district shall be applied to
12 the state share of the permanent foundation education aid for the member towns; and

13 (7) The department of elementary and secondary education shall prorate the funds available
14 for distribution among those eligible regionalized school districts if the total, approved costs for
15 which regionalized school districts are seeking a regionalization bonus exceed the amount of
16 funding appropriated in any fiscal year;

17 ~~(h) Additional state support for English learners (EL). The amount to support EL students~~
18 ~~shall be determined by multiplying an EL factor of ten percent (10%) by the core instruction per~~
19 ~~pupil amount defined in § 16-7.2-3(a)(1) and applying that amount of additional state support to~~
20 ~~EL students identified using widely adopted, independent standards and assessments identified by~~
21 ~~the commissioner. All categorical funds distributed pursuant to this subsection must be used to~~
22 ~~provide high quality, research-based services to EL students and managed in accordance with~~
23 ~~requirements set forth by the commissioner of elementary and secondary education. The~~
24 ~~department of elementary and secondary education shall collect performance reports from districts~~
25 ~~and approve the use of funds prior to expenditure. The department of elementary and secondary~~
26 ~~education shall ensure the funds are aligned to activities that are innovative and expansive and not~~
27 ~~utilized for activities the district is currently funding. The department of elementary and secondary~~
28 ~~education shall prorate the funds available for distribution among eligible recipients if the total~~
29 ~~calculated costs exceed the amount of funding available in any fiscal year;~~

30 (i) State support for school resource officers. For purposes of this subsection, a school
31 resource officer (SRO) shall be defined as a career law enforcement officer with sworn authority
32 who is deployed by an employing police department or agency in a community-oriented policing
33 assignment to work in collaboration with one or more schools. School resource officers should have
34 completed at least forty (40) hours of specialized training in school policing, administered by an

1 accredited agency, before being assigned. Beginning in FY 2019, for a period of three (3) years,
2 school districts or municipalities that choose to employ school resource officers shall receive direct
3 state support for costs associated with employing such officers at public middle and high schools.
4 Districts or municipalities shall be reimbursed an amount equal to one-half (½) of the cost of
5 salaries and benefits for the qualifying positions. Funding will be provided for school resource
6 officer positions established on or after July 1, 2018, provided that:

7 (1) Each school resource officer shall be assigned to one school:

8 (i) Schools with enrollments below one thousand twelve hundred (1,200) students shall
9 require one school resource officer;

10 (ii) Schools with enrollments of one thousand twelve hundred (1,200) or more students
11 shall require two school resource officers;

12 (2) School resource officers hired in excess of the requirement noted above shall not be
13 eligible for reimbursement; and

14 (3) Schools that eliminate existing school resource officer positions and create new
15 positions under this provision shall not be eligible for reimbursement; and

16 (j) Categorical programs defined in subsections (a) through (g) shall be funded pursuant to
17 the transition plan in § 16-7.2-7.

18 SECTION 2. This act shall take effect on July 1, 2023 and shall be implemented over a
19 two (2) year period.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO EDUCATION -- THE EDUCATION EQUITY AND PROPERTY TAX
RELIEF ACT

1 This act would require the department of elementary and secondary education as part of its
2 budget submission pursuant to § 35-3-4 to develop and utilize a poverty measure to identify
3 students whose family income is at or below one hundred eighty-five percent (185%) of federal
4 poverty guidelines. The department would utilize this measure in the calculations of student success
5 factor, and the state share ratio provided in § 16-7.2-4.

6 This act would take effect on July 1, 2023 and would be implemented over a two (2) year
7 period.

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